



# Companies (Audit, Investigations and Community Enterprise) Act 2004

## 2004 CHAPTER 27

### PART 2

#### COMMUNITY INTEREST COMPANIES

##### *Supervision by Regulator*

#### **41 Conditions for exercise of supervisory powers**

- (1) In deciding whether and how to exercise the powers conferred by sections 42 to 51 the Regulator must adopt an approach which is based on the principle that those powers should be exercised only to the extent necessary to maintain confidence in community interest companies.
- (2) No power conferred on the Regulator by—
  - (a) section 45 (appointment of director),
  - (b) section 46 (removal of director),
  - (c) section 47 (appointment of manager), or
  - (d) section 48 (property),is exercisable in relation to a community interest company unless the company default condition is satisfied in relation to the power and the company.
- (3) The company default condition is satisfied in relation to a power and a company if it appears to the Regulator necessary to exercise the power in relation to the company because—
  - (a) there has been misconduct or mismanagement in the administration of the company,
  - (b) there is a need to protect the company's property or to secure the proper application of that property,
  - (c) the company is not satisfying the community interest test, or

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**Changes to legislation:** There are currently no known outstanding effects for the Companies (Audit, Investigations and Community Enterprise) Act 2004, Section 41. (See end of Document for details)

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- (d) if the company has community interest objects, the company is not carrying on any activities in pursuit of those objects.
- (4) The power conferred on the Regulator by section 49 (transfer of shares etc.) is not exercisable in relation to a community interest company unless it appears to the Regulator that the company is an excluded company.

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**Commencement Information**

**II** S. 41 in force at 1.7.2005 by S.I. 2004/3322, art. 2(3), **Sch. 3**

**Changes to legislation:**

There are currently no known outstanding effects for the Companies (Audit, Investigations and Community Enterprise) Act 2004, Section 41.